



# Four keys to goal setting that **increase employee performance** and **reduce attrition**

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Numerous studies have shown that people who train and run marathons are far more likely to have a time just under four hours than just over four hours.

## Why?

### Because runners set a goal to break four hours.

Setting goals is one of the ways to turn an average performer into a top performer. When done correctly, goal setting can positively impact sales engagement. In our New Rules of Engagement® research conducted in May 2021, we found employees who set goals are **14.2** times more likely to be inspired at work.

Goal setting for employees is not a one-and-done task, rather it is a process which, if applied correctly, can lead to improved sales results and organizational commitment. Employees with goals are **3.6** times more likely to be committed to their organization. More specifically, they are **6.7** times more likely to feel proud of their organization and **6.5** times more likely to recommend their organization as a great place to work.

Our research identified the following four keys to setting and achieving goals.

### 1. Planning for the race: Set challenging but attainable goals.

We want to challenge employees, not set them up for failure. That is why sales goals should be achievable yet challenging. In our latest survey, we found goal setting can improve organizational commitment.

Setting up the right goals impacts other areas of employees' experience as well. For example, sales goals help employees to reach their full potential:

- Employees who set goals are **6.5** times more likely to say their job allows them to master skills they need and **7.7** times more likely to say, "My employer provides opportunities for me to develop my skills."
- Employees who set goals also feel more empowered. Only **42%** of employees with no goals feel their ideas are taken seriously, while **80%** of employees with goals feel this way.

Sadly, one in three employees (**31%**) said their manager did not establish challenging but attainable goals for them. Whether you lead a sales organization or are managing just a few on your team, be sure to have goal-setting conversations with your employees. Use existing data to create a baseline from which the employee can stretch and ensure employees can provide input on what their goals should be.

### 2. Amend race plans as required: Provide performance evaluation and adjustment.

A key responsibility for every sales manager is to not only set goals for their employees but to track their performance and provide guidance and evaluation on achieving those goals. There are



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two components to performance evaluation. First, we should keep employees on track by providing regular evaluation of their progress. Second, goals should not be set in stone! Depending on changing priorities, goals may change. Ongoing performance evaluation and adjustment helps sales associates stay on track:

- When supervisors regularly meet with employees to discuss their goals, employees are **5** times more likely to say, “**Working here is inspiring.**”
- When supervisors adjust goals according to current priorities, employees are **6.7** times more likely to feel motivated to take action at work and **5.2** times more likely to say, “**Working here brings out my best ideas.**”

Of those we surveyed, about **36%** said they do not receive performance evaluation and adjustment from their supervisors. Remember, annual reviews are not the only time we can check in on employee performance. Provide updates to employees so they can see whether they are on track to hit their goals. Talk to them about wins and hurdles, considering whether goals should be adjusted as a result of either.

### **3. Cheering from the stands: Provide support and encouragement.**

Providing support and encouragement is one of the strongest predictors of employees feeling inspired and putting their highest effort into work.

- Employees who receive support and encouragement from their team are **11.6** times more likely to say, “**I am motivated to take action at work.**”
- These same employees also put more effort into their work. Employees with goals are **8.1** times more likely to say, “**I actively look for ways to improve the way I work.**”

Encouraging employees to achieve their goals also makes them feel more empowered.

- We found employees who receive support and encouragement from their team are **7.5** times more likely to feel their organization trusts them with important decisions and are **8.9** times more likely to feel their ideas are taken seriously.

Receiving support and encouragement also impacts perceptions of open-mindedness and inclusion at work:

- Employees who receive support and encouragement from their supervisor are **9.3** times more likely to say leaders listen to their needs and **9.1** times more likely to think their organization is open to different points of view.

Despite the positive impact of support on motivation, empowerment and perceptions of their leaders, **32%** of employees said they do not receive support and encouragement from their supervisors. Support can be simple reminders to keep going and that they are doing well even when things are not perfect. Support can also be more prescriptive, helping



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employees understand the little steps that will get them to their goal. Recognize employees when they perform behaviors that will ultimately lead to success, even if they have not yet reached their final goal.

#### **4. When it gets hard, remind the runner why they signed up:** **Align employee goals with larger company-wide objectives and the mission.**

Supervisors should craft employees' goals to be in line with the company-wide mission and vision. Employees who can see how their individual goals and responsibilities contribute to the company's goals are more committed to their organization, more motivated to work hard for the success of themselves and the company and feel more accountable for how their performance impacts the company's success.

- Employees who know how their goals connect to the larger picture feel more inspired, such that they are **10.1** times more likely to feel motivated to take action at work.
- These employees are more committed, such that they are **7.9** times more likely to feel proud to work at their organization and **6.8** times more likely to recommend their organization as a great place to work.

Similarly, aligning employees' goals with the bigger picture gives them a stronger sense of meaning and purpose.

- We found employees whose goals align with the organization's objectives are **8.9** times more likely to say, "My job matters" and **7.2** times more likely to value the organization's mission.

Even though aligning goals with a company's mission is an important part of goal setting for employees, **23%** of employees say they don't know how achieving their goals impacts the success of the organization. It's impossible to talk TOO much about impacting the organization's goals and mission. Discuss the impact the employee's performance will have in the early stages of goal setting. Remind them of the difference they are making as they progress. Show them the fruits of their labor when goals are achieved. Bring their impact to life by sharing a message from a satisfied customer or show how your product or service changed someone's life.

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The race for our sales force is challenging so we need to prepare them for the long haul. Let's help them set meaningful goals and provide them the ongoing coaching, alignment and support that sets them up for success.

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